



Health Services

LOS ANGELES COUNTY

Los Angeles County
Board of Supervisors

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John F. Schunhoff, Ph.D.
Interim Director

Robert G. Splawn, M.D.
Interim Chief Medical Officer

313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

Tel: (213) 240-8101
Fax: (213) 481-0503

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*To improve health
through leadership,
service and education.*



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July 15, 2008

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

DEPARTMENT OF HEALTH SERVICES: REQUEST TO ACCEPT COMPROMISED OFFERS OF SETTLEMENT (First and Second District) (3 Votes)

SUBJECT

On January 15, 2002, the Board adopted an ordinance granting the Director authority to compromise or reduce patient account liabilities when it is in the best interest of the County to do so. Since the compromises referenced below are not within the Director's authority, the Director is requesting Board approval of these compromises.

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the Interim Director of Health Services (Director) or his designee, to accept the attached compromise offers of settlement, pursuant to Section 1473 of the Health and Safety Code, of the following individual accounts for patients who received medical care at a County facility:

(1)	Account Number	H/UCLA – Various	\$ 33,000
(2)	Account Number	H/UCLA – Various	\$ 20,000
(3)	Account Number	H/UCLA – Various	\$ 5,000
(4)	Account Number	LAC+USC – Various	\$ 4,617
(5)	Account Number	LAC+USC – 5548445	\$ 3,800
(6)	Account Number	LAC+USC – Various	\$ 26,500
(7)	Account Number	H/UCLA – 8738754	\$ 4,000

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The compromise offers of settlement for patient accounts (1) – (5) are recommended because the patients are unable to pay the full amount of charges and the compromise offers represent the maximum amount the Department will be able to receive under the legal settlement involved in

these cases. The compromise offers of settlement for patient accounts (6) – (7) are recommended because the patients cannot pay the full amount of charges based on their current financial status, and these are the highest amount they are able to contribute to settle the accounts.

The best interests of the County would be served by the approval of these compromises, since it will enable DHS to maximize net revenue on these accounts.

Implementation of Strategic Plan Goals

The recommended action will satisfy County Strategic Plan Goal #4, Fiscal Responsibility.

FISCAL IMPACT/FINANCING

This will expedite the County's recovery of revenue totaling approximately \$96,917.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50% of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

Typically, recoveries in legal settlements are divided approximately into thirds between plaintiff, plaintiff's attorney, and all medical lien holders, which would include the County's hospital lien. Factors that contribute to each party receiving more or less than one-third of the recovery include the number of medical lien holders, the patient's attorney retainer agreement, and costs accrued by the patient during the legal process.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Maximizing net revenues on these accounts will help DHS meet its budgeted revenue amounts.

When approved, DHS requires three signed copies of the Board's action.

Respectfully submitted,



John F. Schunhoff, Ph.D.
Interim Director

JFS:lg (R:\LMARTINEZ\COMPROMISE\BRDLTR#66\LETTER)

Attachments (7)

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 1
DATE: July 15, 2008

Total Charges	\$339,803	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$339,803	Date of Service	Various
Compromise Amount Offered	\$33,000	% Of Charges	10%
Amount to be Written Off	\$306,803	Facility	H/UCLA Medical Center

JUSTIFICATION

This patient settled a malpractice claim with a physician who treated her prior to her admission at H/UCLA Medical Center. As a result of her condition, the patient was treated at H/UCLA Medical Center and incurred total inpatient and outpatient charges of \$339,803 for medical services rendered. The patient had limited scope Medi-Cal (covers emergency treatment) which did not pay for non-emergency services. The patient was also covered by the Ability-To-Pay (ATP) and Outpatient Reduced-Cost Simplified Application (ORSA) program with no liability. The patient's malpractice claim settled for \$97,500, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees *	\$30,000	\$27,500	28%
Lawyer's Cost *	\$5,000	\$2,500	3%
H/UCLA Medical Center **	\$339,803	\$33,000	34%
Other Lien Holders **	\$175,437	\$8,781.25	9%
Patient		\$25,718.75	26%
Total		\$97,500	100%

* The attorney agreed to reduce his fees from \$30,000 to \$27,500 and cost from \$5,000 to \$2,500.

** Lien holders are receiving 43% of the settlement (34% to H/UCLA Medical Center and 9% to others).

Based on the information provided, it appears that the patient is unable to pay the full amount of charges and has no source of income, or personal or real property to meet his obligation to H/UCLA Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 2
DATE: July 15, 2008

Total Charges	\$175,891	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$175,891	Date of Service	Various
Compromise Amount Offered	\$20,000	% Of Charges	11%
Amount to be Written Off	\$155,891	Facility	H/UCLA Medical Center

JUSTIFICATION

This patient suffered an injury while in the scope of employment as a handyman and filed a claim against the property owner. As a result of this accident, the patient was treated at H/UCLA Medical Center and incurred total inpatient and outpatient charges of \$175,891 for medical services rendered. The patient's Medi-Cal application was denied and the patient did not apply for the Ability-To-Pay (ATP) program to cover his inpatient treatment. The patient did apply for the Outpatient Reduced-Cost Simplified Application (ORSA) program for his follow-up visits. The patient's third party liability (TPL) claim settled for \$60,000, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement*
Lawyer's Fees *	\$20,000	\$15,000	25%
Lawyer's Cost *	\$12,189	\$8,000	13.33%
H/UCLA Medical Center **	\$175,891	\$20,000	33.33%
Other Lien Holders **	\$10,485	\$5,000	8.33%
Patient		\$12,000	20%
Total		\$60,000	100%

* The attorney agreed to reduce his fees from \$20,000 to \$15,000 and cost from \$12,189 to \$8,000.

** Lien holders are receiving 41.66% of the settlement (33.33% to H/UCLA Medical Center and 8.33% to others).

Based on the information provided, it appears that the patient is unable to pay the full amount of charges and has no source of income, or personal or real property to meet his obligation to H/UCLA Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 3
DATE: July 15, 2008

Total Charges	\$38,912	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$38,912	Date of Service	Various
Compromise Amount Offered	\$5,000	% Of Charges	13%
Amount to be Written Off	\$33,912	Facility	H/UCLA Medical Center

JUSTIFICATION

This patient was involved in an automobile versus pedestrian accident. As a result of the accident, the patient was treated at H/UCLA Medical Center and incurred total inpatient and outpatient charges of \$38,912 for medical services rendered. The patient was an out-of-country patient and does not qualify for Los Angeles County's low cost/no cost programs. The patient's third party liability (TPL) claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$5,000	\$5,000	33.33%
Lawyer's Cost			
H/UCLA Medical Center	\$38,912	\$5,000	33.33%
Other Lien Holders			
Patient		\$5,000	33.34%
Total		\$15,000	100%

Based on the DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income, or personal or real property to meet his obligation to H/UCLA Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 4
DATE: July 15, 2008

Total Charges	\$20,546	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$20,546	Date of Service	Various
Compromise Amount Offered	\$4,616.66	% Of Charges	22%
Amount to be Written Off	\$15,929.34	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient had a "slip & fall" accident in a public building. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient charges of \$20,546 for medical services rendered. The patient retained an attorney and did not apply for any of Los Angeles County's low cost/no cost programs. The patient's third party liability (TPL) claim settled for \$12,500 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees *	\$5,000	\$3,241.41	26%
Lawyer's Cost	\$4,396.47	\$4,396.47	35%
LAC+USC Medical Center	\$20,546	\$4,616.66	37%
Other Lien Holders			
Patient		\$245.46	2%
Total		\$12,500	100%

* The attorney agreed to reduce his fee from \$5,000 (40% of the settlement) to \$3,241.41 (26% of the settlement).

Based on the DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income, or personal or real property to meet his obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 5
DATE: July 15, 2008

Total Charges	\$115,558	Account Number	5548445
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$115,558	Date of Service	2/28/07 - 3/19/07
Compromise Amount Offered	\$3,800	% Of Charges	3%
Amount to be Written Off	\$111,758	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile versus pedestrian accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient charges of \$115,558 for medical services rendered. The patient does not qualify for Medi-Cal and did not apply for any of Los Angeles County's low cost/no cost programs. The patient's third party liability (TPL) claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$5,000	\$5,000	33%
Lawyer's Cost	\$600	\$600	4%
LAC+USC Medical Center *	\$115,558	\$3,800	25%
Other Lien Holders *	\$1,880.54	\$1,200	9%
Patient		\$4,400	29%
Total		\$15,000	100%

* Lien holders are receiving 34% of the settlement (25% to LAC+USC Medical Center and 9% to others).

Based on the information provided, it appears that the patient is unable to pay the full amount of charges and has no source of income, or personal or real property to meet his obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 6
DATE: July 15, 2008

Total Charges	\$63,000	Account Numbers	5660520 & 5308234
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$63,000	Dates of Service	3/26/07-3/27/07 & 1/4/07-1/8/07
Compromise Amount Offered	\$26,500	% of Charges	42%
Amount to be Written Off	\$36,500	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was treated at LAC+USC Medical Center and incurred total inpatient charges of \$63,000 for medical services rendered. The patient was denied Medi-Cal and did not apply for any of Los Angeles County's Low Cost/No Cost programs. Based on the DHS' outside collection agency's assessment and recommendation, it appears the patient does not have the financial means to pay the full cost of care and this is the highest amount he is able to contribute to settle the account.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 7
DATE: July 15, 2008

Total Charges	\$46,385	Account Numbers	8738754
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$46,385	Dates of Service	10/23/07-10/28/07
Compromise Amount Offered	\$4,000	% of Charges	9%
Amount to be Written Off	\$42,385	Facility	H/UCLA Medical Center

JUSTIFICATION

This patient was treated at H/UCLA Medical Center and incurred total inpatient charges of \$46,385 for medical services rendered. The patient was an out-of-country student studying in the United States. The patient did not qualify for Medi-Cal or any of Los Angeles County's Low Cost/No Cost programs. Based on the DHS' outside collection agency's assessment and recommendation, it appears the patient does not have the financial means to pay the full cost of care and this is the highest amount he is able to contribute to settle the account.